

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 IO-10 ISO-00 FEA-01 AGR-10 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15

STR-04 TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

XMB-04 /119 W

----- 075265

R 251925Z JUL 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 2040

INFO USDEL MTN GENEVA

UNCLAS BUENOS AIRES 5026

DEPT PASS USDOC; TREASURY AND EXIMBANK

E.O. 11652: N/A

TAGS: ETRD, BPRO, AR

SUBJECT: GOA IMPLEMENTS NEW IMPORT REGIME

REF: A) BA 3825; B) A-157; C) BA2713

1. SUMMARY. JULY 8 MINISTRY OF ECONOMY ISSUED RESOLUTION 88 ESTABLISHING A NEW IMPORT REGIME AND REVOKING THE QR SYSTEM ESTABLISHED BY RESOLUTION 693 (REF.A). NEW REGIME IS MORE FLEXIBLE IN THIS SENSE BUT, IT REQUIRES PRIOR APPROVAL OF A FIRM'S IMPORT PROGRAM ON A SEMIANNUAL BASIS. CAPITAL GOODS IMPORTS ARE SUBJECT TO RESOLUTION 88, BUT EXEMPTED FROM EXCHANGE INSURANCE REQUIREMENT (REF. B). HOWEVER, THEY REMAIN SUBJECT TO FINANCING TERMS ESTABLISHED BY CENTRAL BANK CIRCULAR RC 524 (REF. C). IT IS UNCERTAIN WHETHER NEW MINISTER OF ECONOMY, WHO TOOK OFFICE JULY 22, WILL MAINTAIN THIS REGIME. END SUMMARY.

2. NEW REGIME IS BASED ON SEMIANNUAL IMPORT PROGRAMS TO BE UNCLASSIFIED

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PRESENTED FOR APPROVAL BY THE AUTHORITIES. IMPORTERS ARE TO

MAKE SEPARATE IMPORT PROGRAM APPLICATIONS BY BTN TARIFF NUMBER TO INCLUDE TOTAL VOLUME TO BE IMPORTED DURING THE MONTHS OF MAY AND NOVEMBER PRECEEDING THE CORRESPONDING SEMESTER. FOR SECOND HALF OF 1975 PROGRAMS CAN BE PRESENTED AT ANY TIME.

3. IMPORTER MUST PRESENT IMPORT APPLICATION OR "SWORN DECLARATION" TO ENTITY AUTHORIZED TO CARRY OUT EXCHANGE OPERATIONS (I.E. COMMERCIAL BANKS) AND PAY 10 PERCENT OF TOTAL VALUE FOR THE ENTIRE SEMESTER OF COMPULSORY EXCHANGE INSURANCE. AFTER THAT, IMPORT APPLICATIONS HAVE TO BE PRESENTED TO THE NATIONAL IMPORT DEPARTMENT, WHICH WILL "REGISTER" (APPROVE) THE PROGRAM. WITHOUT THIS REGISTRATION THE IMPORTER WILL BE UNABLE TO OBTAIN FOREIGN EXCHANGE AND THE CUSTOMS WILL NOT DISPATCH THE MERCHANDISE. IN THE CASE OF CAPITAL GOODS, IMPORTERS ARE ADDITIONALLY REQUIRED TO OBTAIN APPROVAL OF CENTRAL BANK UNDER TERMS OF CIRCULAR 524 (REF. C), WHICH ESTABLISHES CRITERIA FOR FINANCING TERMS ARGENTINE IMPORTERS MUST OBTAIN.

4. ONCE THE PROGRAM IS REGISTERED AND/OR APPROVED BY CENTRAL BANK IMPORTER CAN OPEN LETTERS OF CREDIT. AT THIS TIME PRIVATE IMPORTERS MUST FULFILL EXCHANGE INSURANCE REQUIREMENT OF 100 PERCENT PRIOR IMPORT DEPOSIT. PUBLIC SECTOR IMPORTERS, HOWEVER, NEED COVER ONLY 20 PERCENT OF VALUE FOR THE SECOND SEMESTER 1975, 40 PERCENT FOR THE FIRST SEMESTER 1976, 60 PERCENT FOR SECOND SEMESTER 1976 AND AS OF FIRST SEMESTER 1977 100 PERCENT OF TOTAL FOB VALUE WITH COMPULSORY EXCHANGE INSURANCE.

5. IF IMPORTER SHIPS LESS THAN 80 PERCENT OF TOTAL VOLUME PROGRAMMED, AN INDEMNIZATION WILL HAVE TO BE PAID TO THE CENTRAL BANK. ON THE OTHER HAND, THE IMPORTER CAN IMPORT UP TO 10 PERCENT ABOVE THE VOLUME OR FOB VALUE PROGRAMMED WITHOUT AUTHORIZATION. IF THE IMPORTER NEEDS TO SHIP ADDITIONAL AMOUNTS ABOVE THE 10 PERCENT, HE MAY PRESENT A SUPPLEMENTARY PROGRAM AT ANY TIME.

6. BOTH PUBLIC AND PRIVATE FIRMS, WHEN IMPORTING UNDER OFFICIAL INCENTIVE OR PROMOTION PROGRAMS CAN PRESENT A SINGLE UNCLASSIFIED

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COMBINED LIST INSTEAD OF SEPARATE LISTS BY BTN CATEGORY.

7. IMPORT PROGRAMS PRESENTED BY END USERS FOR CAPITAL GOODS TO BE USED AS FIXED ASSETS CAN BE PRESENTED AT ANY TIME.

8. COMMENT: IN PRACTICE, BECAUSE OF THE FOREIGN EXCHANGE CRISIS TO WHICH ARGENTINA IS SUBJECT AT THE MOMENT, ONLY VITALLY ESSENTIAL IMPORTS OF PRIMARY AND INTERMEDIATE PRO-

DUCTS ARE LIKELY TO BE APPROVED OVER THE NEXT FEW MONTHS. CAPITAL GOODS IMPORTS ARE LIKELY TO BE VIEWED AS OF SECONDARY IMPORTANCE. THE CENTRAL BANK APPEARS TO BE DELIBERATELY SLOWING DOWN ITS APPROVAL OF IMPORT APPLICATIONS UNDER THE TERMS OF CIRCULAR 524 AT PRESENT. ALTHOUGH RESOLUTION 88 WAS SIGNED ON JULY 8, THE IMPLEMENTARY DECREES AND IMPORT APPLICATION FORMS HAVE NOT YET BEEN ISSUED.

THEREFORE, IN IMPORT APPLICATIONS UNDER THIS REGIME HAVE BEEN PRESENTED TO DATE. IN VIEW OF THE ASSUMPTION OF OFFICE ON JULY 22 OF THE THIRD MINISTER OF ECONOMY IN TWO MONTHS, AND THE WORSENING OF ARGENTINA'S FOREIGN EXCHANGE CRISIS IT REMAINS TO BE SEEN WHETHER RESOLUTION 88 WILL CONTINUE IN FORCE MUCH LONGER. ESPANISH AND ENGLISH VERSIONS OF RESOLUTION 88 BEING AIRPOUCHED TO USDOC AND SECSTATE NEXT WEEK.

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Message Attributes

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Draft Date: 25 JUL 1975
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Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Document Unique ID: 00
Drafter: n/a
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